

**AVIATION ADVISORY BOARD
Fort Lauderdale Executive Airport
Administrative Office-Multipurpose Room
6000 NW 21 Avenue
Fort Lauderdale, FL
Thursday, December 9, 2004
1:30 p.m. – 3:00 p.m.**

<u>Board Members</u>	<u>Present/Absent</u>	<u>Cumulative Attendance</u> 1/1/04 – 12/31/04	
		<u>P</u>	<u>A</u>
Tom Newman, Chair	P	7	1
Bunney Brenneman, Vice Chair	P	8	0
Larry Holdridge	A	4	4
John McKaye	P	7	1
John Milledge	A	4	3
Bernie Petreccia	P	8	0
Christopher Pollock	P	5	2
Joseph Scerbo	P	3	0
Steve Stella	A	7	1
Sharon Woods	P	4	0

Airport Staff

Clara Bennett, Airport Manager
Alex Erskine, Airport Operations Supervisor
Fernando Blanco, Acting Airport Engineer
Rufus James, Airport Operations Aide

Visitors

Don Bastedo
Clarence Jackson, U.S. Congressman Alcee Hastings
John Schmatz, Sheltair
Joan Kuntz, Sheltair
Marty Falk, NANA
Dennis Owens, RLO Inc.
Corky Zimmer, RLO Inc.
Kip Zimmer, RLO Inc.
Lou Scholnik, Attorney for RLO Inc.
Kevin Bolender, AOPA
Vicki Minard, Assistant City Attorney
Earl Prizlee, City of Fort Lauderdale
Dave Bardt, Kimely-Horn and Associates

The meeting was called to order at 1:30 p.m. by Chair Newman.

1. Approve Minutes of October 28, 2004 Meeting

Motion was made by Ms. Brenneman and seconded by Ms. Woods to approve the minutes of the October 28, 2004 meeting. Motion passed unanimously.

2. Lease Rates and Real Estate Brokerage Commissions

Ms. Bennett explained that the AAB reviewed the Airport's real estate rates and brokerage commissions annually and the City Commission approved the rates every three years, subsequent to public hearings. The minimum lease rate for aviation property was currently \$0.18 per square foot for new leases. This minimum had been established in 1987 and had remained unchanged since then. The firm of Slack, Johnson & Magenheimer had been retained and had prepared a report on the fair market annual rental rates for aeronautical property. Mr. Magenheimer specialized in the area of aviation real estate, and the report included market research of general aviation rates and surveys of airport rates and charges at a local and national level. Based on the analysis, Slack, Johnson & Magenheimer determined that the minimum aeronautical land rate should be \$0.23 to \$0.25 per square foot.

The current annual lease rates for non-aviation property at the Airport were set at 10% of fair market value. Approximately 10.5 acres of non-aviation land was currently available for lease.

Real estate brokerage commissions were paid on non-aviation property only. The current commission rate was set at 4% of the appraised value of the property and was paid on the basis of 50% of the rental stream until the commission was paid.

According to data regarding current office and industrial real estate in the Cypress Creek area, office space vacancy factors were 15.3% in approximately 3.7 million square feet of office space. Industrial space vacancy rates in Northeast Broward County were 6.5% in approximately 8.8 million square feet of industrial space. Vacancy rates on Executive Airport leased property was currently at 10% on approximately 1.5 million square feet of office, flex, and warehouse space.

Staff recommended:

1. The minimum aviation lease rate be set at \$0.23 to \$0.25 per square foot.
2. The minimum lease rate for non-aviation property remain at 10% of fair market value.
3. The brokerage commission schedule remain unchanged at 4%

Mr. Scerbo felt the analysis in exhibit 6 was distorted; he felt Fort Lauderdale should be grouped with a few selected areas and the results averaged. Chair Newman asked Ms. Bennett to clarify how the \$0.23 to \$0.25 per square foot figure was arrived at. Ms. Bennett explained that exhibit 6 was not the data the appraiser used to determine rates; this was data provided by a survey the Airport conducted each year. It was difficult to find sales

comparable to aviation property since aviation property could not be sold. Mr. Magenheimer's method for determining the rate was included in the material and comprised data from truly comparable airports, including: operations counts, fixed-base operators, total based aircraft fuel flowage fee and the number of certified pilots in the area. They also considered more recent rental rates at the airports. Ms. Bennett indicated that pages 26 and 27 contained the data Mr. Scerbo was interested in.

Ms. Bennett noted that these rates were minimums; the Airport current had property leased out at \$0.48 per square foot. The maximum was what the market would bear.

Motion was made by Ms. Brennehan and seconded by Mr. Petreccia to approve all of the staff recommendations. Motion passed unanimously.

3. RLO Inc. Parcel 18 Lease Amendment

Ms. Bennett stated that the current rent for Parcel 18 was \$31,753 annually. The original 1977 lease was for 25 years with 5-year CPI adjustments. In 1999, the lease was extended another 5 years to be brought in line with the typical 30-year aviation leases with annual CPI adjustments. RLO agreed to make a lump sum payment of \$12,647, which represented the difference in revenue to the Airport between the annual and 5-year CPI adjustments.

RLO had requested a 5-year lease extension to October 31, 2012 and agreed to pay rent of \$0.25 per square foot. The new rent would be approximately \$39,843, an increase of 25% from the current rent. RLO had also agreed to pay rent on the existing improvements based on 5% of the market rents for those improvements.

The parcel size must also be reduced to 3.36 acres as a result of a change in the Object Free Area requirement. This was due to changes in the aircraft fleet mix using the Airport and the distances from the taxiways and runways required by FAA standards.

Staff recommended that the Lease for Parcel 18 with RLO, Inc. be extended for a period of five years to October 31, 2012 with an increase in the ground rent to \$0.25 per square foot and annual Consumer Price Index adjustments, and an uncapped market value adjustment of the ground rent and an assessment of 5% of the market rent determined by appraisal for the existing improvements on October 31, 2007.

Chair Newman asked what would happen after 2012, would the company request another extension? Ms. Bennett stated that they had discussed this with the tenant and the Airport had agreed that if they needed to relocate sooner, the Airport would take the property back then.

Mr. Petreccia asked when a fundamental study of the Airport would be available. Ms. Bennett informed him that staff had discussed the creation of a strategic plan with Kimely-Horn and Associates and hoped to bring a scope of services report to the Board for review.

Motion was made by Mr. Petreccia and seconded by Mr. Pollock to approve the staff recommendations for Parcel 18. Motion passed unanimously.

4. Deployment of Fiber Optic Communication System for Gates – Contract Award

Mr. Blanco explained that the fiber optic communication project was bid on October 19, 2004, with a total of six (6) bids received and opened on November 24, 2004. The low bidder was Future Works Communications, Inc. of Jacksonville, Florida but staff was recommending rejecting the Future Works bid because they did not submit a bid bond. The City Attorney's Office agreed with this recommendation.

The next lowest bidder was Hy-Power, Inc. of Fort Lauderdale, with a bid of \$953,996.30. Staff had reviewed the bid and found the unit prices and reference checks on this company to be satisfactory.

The Florida Department of Transportation (FDOT) had allowed for 100% use of grant funding for projects enhancing Airport security thus funding for this project is available from the FDOT Joint Participation Agreements (JPA's) for \$508,461 and \$688,000, respectively, for a total project budget of \$1,196,461.00.

Staff recommended that:

1. The low bid submitted by Future Works Communications, Inc. of Jacksonville, FL be rejected due to non-submission of a bid bond and
2. Award of the contract to the second lowest responsive bidder, Hy-Power, Inc., in the amount of \$953,996.30, for the Base Bid and Alternate 1, and that the contract be recommended to the City Commission, subject to review and approval by the Board.

Mr. Petreccia asked if staff had asked Future Works why they had not included a bid bond. Mr. Blanco stated that they thought that a bid letter would suffice, even though it was clearly stated that a bid bond was required.

Mr. Scerbo asked what other information was available about Hy-Power, and inquired regarding whether there had been a review of the company's financial information. Mr. Blanco explained several of the factors considered in pre-qualifying contractors. Mr. Bardt explained that there was not a lot of flexibility or expertise to examine the current financial status of a company. The company's work history and past projects were assessed, and their bonding capability was considered. Bonding companies were extremely careful in assessing bonding capability and this was therefore a good indicator of a company's current financial status. The bid was also examined for pricing problems. Kimley-Horn had evaluated Hy-Power's qualifications and recommended that the contract be awarded to them.

Motion was made by Mr. Pollock and seconded by Ms. Brenneman to approve the staff recommendations regarding the fiber optic communication system contract bid. Motion passed unanimously.

Walk On Item

5. Interlocal Agreement for G.M. Holland, Trustee, Sheltair Aviation Facilities Inc.

Ms. Bennett noted that there were extenuating circumstances for this item's appearing so late on the agenda. The Sheltair proposal had been reviewed and approved by the Board last month and staff was working with the City Attorney's office to bring this item to the City Commission at their December 21, 2004 meeting. This item was a request for the City to enter into an Interlocal Agreement with the Jacksonville Economic Development Commission to permit Sheltair to utilize JEDC bonds to finance their construction and renovation project. Ms. Bennett stressed that the bonds were payable solely by Sheltair and did not constitute any indebtedness on the part of the City. This agreement was authorized for the funds' use at FXE on Sheltair's leased property. Ms. Bennett explained to Chair Newman that they were working with the City Attorney's Office to be sure the language of the agreement would not commit the City to any indebtedness.

Mr. Schmatz confirmed that this was a formality to authorize the JEDC to issue the bonds to finance the project at this location.

Staff recommended that the City enter into an Interlocal Agreement with the Jacksonville Economic Development Commission to permit Sheltair to utilize bonds issued by the JEDC for the construction and renovation of facilities on leased parcels at Executive Airport upon review by the City Attorney's Office.

Motion was made by Ms. Brennehan and seconded by Mr. Pollock to approve the staff recommendations regarding the Interlocal Agreement with the JEDC for financing of Sheltair's construction and renovation project. Motion passed unanimously.

Mr. Scerbo asked if update information could be included when the Board was asked to approve action on an ongoing project such as Item 3 – the RLO Inc. Parcel 18 lease agreement.

Ms. Bennett agreed to brief the Board regarding projects in advance of the meetings and prior to submitting them for approval.

Update Items

A. Noise Compatibility Program

Nighttime I-95 turn

Ms. Bennett acknowledged the presence of Clarence Jackson from U.S. Congressman Alcee Hastings's office and thanked Mr. Jackson for the support the Airport had received for the noise abatement program and other issues.

During October and November, there had been a few departures that were directed to fly straight out instead of using the I-95 turn. The Tower Manager, Bonnie Schultz, had

determined that these were mistakes on the part of the controllers; they simply forgot to give the proper directive.

The nighttime turn was not used under certain weather and traffic conditions, in case of emergency and for certain air ambulance flights. The Airport had already obtained a commitment from one air ambulance operator to use the turn and was pursuing a similar agreement with other air ambulance companies based at FXE.

ANOMS 8 Upgrade

Since the Board approved the purchase of the Airport Noise and Operations Monitoring System (ANOMS) upgrade to version 8 in June, the City has purchased and installed the new servers. The IT staff had set up a network connection and Lochard Corporation was remotely loading the software.

Lochard would test the system by downloading noise monitor and flight track data once the software and maps were loaded. The ANOMS 8 and ANOMS 6 systems would run concurrently to insure that the new system was working properly. Training on the ANOMS 8 was tentatively scheduled for the week of December 13.

Staff hoped to host an open house in January and invite members of the Board and community to visit the Airport one evening to demonstrate the new capabilities of the upgraded system.

Mr. Martin Falk from the North Andrews Neighborhood Association stated that they were experiencing noise problems that had escalated drastically over the last three months. He stated that the north end of his neighborhood was "getting pounded" by the Airport. He had asked his neighbors why they did not call to complain and they told him they felt their calls were futile. He asked the board to consider what could be done. Chair Newman urged Mr. Falk to encourage the neighbors to call since this was the only way the Airport would be aware there was a problem.

Mr. Falk noted that they had noticed larger planes; Ms. Bennett pointed out that FLL was undergoing a renovation project and there had been a change in their traffic patterns. This might account for Mr. Falk's seeing larger planes. Mr. Falk also claimed that other neighborhoods were getting more information from airport staff than his neighborhood was.

Ms. Bennett stated that they were in the process of hiring a noise abatement officer for the Airport who would have day-to-day oversight of the program.

B. Consultant Selection and Negotiation Committee Membership

Mr. Blanco explained that the Consultant Selection and Negotiation Committee (CSNC) was established to assist the Airport in obtaining the services of a general aviation consultant to implement portions of the Airport's proposed Capital Improvements Projects.

Committee member Joe DeGirolmo had departed and staff was proposing the addition of Mr. Earl Prizlee, Project Engineer with the City of Fort Lauderdale, to replace him. Mr. Prizlee had been with the City for 18 months working with the Parking Enterprise Fund and managing the design and construction of transportation, structural rehabilitation, and streetscape improvement projects. Prior to joining the City, Mr. Prizlee worked for approximately 14 years in the private sector on similar projects.

Mr. Scerbo asked to whom this committee reported; Ms. Bennett confirmed that the Committee acted as an extension of FXE staff, making recommendations to the AAB.

C. Minimum Standards for Airport Tenants

Mr. Erskine explained that since the August update, two workshops were held with the tenants on August 31, 2004 and November 16, 2004 and the services of Mike Moroney with Ricondo and Associates were obtained to assist with refining the draft, to provide suggestions, and to attend workshops with the tenants on an as-needed basis.

To complete the Minimum Standards rewrite process the latest draft would be sent to all tenants and they would be offered another opportunity to provide input and suggestions. Once input from the tenants was received, the City Attorney's Office to complete their final review before sending it to the FAA. Staff anticipated the final version would be brought to the Board in the near future for consideration.

Ms. Brenneman asked if the FAA comments would be sent back to the AAB. Mr. Erskine stated that the FAA would point out any issues that would result in non-compliance, but would probably not submit detailed remarks.

D. Development and Construction

Runway 8-26 Rehabilitation Project

Mr. James announced that the Runway 8-26 rehabilitation was complete. The application of final pavement markings and the reinforcement of the Airport haul road with recycled asphalt was finished as well. The remaining work included completion of the punch list items that had been given to the contractor and clean up of the equipment staging areas. Mr. James felt the project should be completed very soon.

E. Arrearages

There were no arrearages to report.

Ms. Bennett presented Board members with gifts.

Ms. Bennett confirmed that the next AAB meeting would be on January 27, 2005.

There being no further business before the Board, the meeting adjourned at 3:00 p.m.

Tom Newman, Chairman

PLEASE NOTE:

If any persons decide to appeal any decision made with respect to any matter considered at this public meeting or hearing, he/she will need a record of the proceedings and, for such purpose, he/she may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.